



## Network FY2021 Budget Testimony

*Senate Budget and Appropriations Committee*

*March 10, 2020, Newark, NJ*

Good afternoon Chairman Sarlo, Vice Chairwoman Cunningham, and members of the Committee. My name is Matthew Hersh, director of policy and advocacy for the Housing and Community Development Network of New Jersey. The Network is the statewide association of over 250 non-profit housing and community development corporations, individuals, professional organizations, and prominent New Jersey corporations that support the creation of housing choices and economic opportunities for low- and moderate-income community residents in order to ***Build a Thriving New Jersey***.

For the second year in a row, we support Gov. Murphy's proposal to fully fund the state's Affordable Housing Trust Fund. Your commitment last year to end a decade of fund diversion to plug budget holes resulted in a ***\$60 million investment in our communities*** to build affordable homes. Working with the Department of Community Affairs, the Network believes the AHTF will prove to be an effective, responsible use of the state's Realty Transfer Fee for the long term and will provide a sustainable revenue source for building in more affordable communities.

The Network looks forward to working with you to get this investment up to \$125 million, the level at which this program will be most effective and will make up for years of community disinvestment.

And these are not wish list items, as you know. They address real concerns in real time and New Jersey is well positioned to address affordability challenges for our Extremely Low Income residents. For example:

- There is a shortage of 217,640 affordable and available rental homes for the 301,079 extremely low income (ELI) renter households in New Jersey.
- There are just 33 affordable and available rental homes for every 100 ELI renter households in NJ, below the national average of 36.
- Seventy-two percent of the poorest renter households in NJ are severely housing cost-burdened, spending more than half of their incomes on housing, with little left over for other basic necessities.

The Network estimates the Trust Fund should be funded at a level of \$125 million to meet the state's true need and to make up for years of disinvestment. But the Trust Fund is one tool in the toolbox for more inclusive communities.

The Network supports the continued expansion of the Neighborhood Revitalization Tax Credit. Last year, you approved a sizable increase in the tax credit, bringing that investment up to \$18.5 million. The NRTC is one of the most successful public/private programs that furthers community

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development and neighborhood change by offering business entities who invest in low- and moderate-income neighborhoods an 80 percent tax credit against state taxes. While Gov. Murphy has kept this funding at its current level for FY2021, the Network supports and will continue to advocate for a \$30 million NRTC allocation, resulting in an even more powerful, more effective program that revitalizes our most distressed neighborhoods.

We also look forward to working with you to locate a dedicated source of revenue for the State Rental Assistance Program (SRAP) outside of the Affordable Housing Trust Fund, an additional \$25 million from the state's general fund toward all of New Jersey's homelessness programs, and a meaningful investment to address interior lead paint remediation so our seniors and children are not how we gauge the presence of lead paint.

As a member of the For the Many coalition, the Network also supports raising the income tax on the state's highest earners in order to fully fund the public assets and services we all rely on.

Thank you for your time today.

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